

**UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

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**UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**RISHI SHAH, SHRADHA AGARWAL,  
BRAD PURDY, and ASHIK DESAI,**

**Defendants.**

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**CASE NO. 19-cv-07528**

**JURY DEMANDED**

**MOTION FOR ENTRY OF PARTIAL JUDGMENT BY CONSENT  
AS TO DEFENDANT ASHIK DESAI**

Plaintiff, the United States Securities and Exchange Commission (“SEC”) respectfully moves the Court to enter the proposed Partial Judgment (“Proposed Judgment”) as to Defendant Ashik Desai based on Defendant Desai’s signed consent. A copy of the Proposed Judgment is attached hereto as Exhibit 1 and Defendant Desai’s consent to entry of the Proposed Judgment is attached as Exhibit 2. In support of this motion, the SEC states as follows:

1. The SEC filed its initial Complaint against Ashik Desai on November 14, 2019. (Dkt# 1.) The SEC filed its Amended Complaint which added three other defendants to this action on November 25, 2019. (Dkt.# 9.) The Amended Complaint alleges that Desai and his co-defendants committed securities fraud in violation of Section 17(a) of the Securities Act of 1933, [15 U.S.C. § 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 CFR § 240.10b-5].

2. The SEC and Desai, in partial settlement of the SEC's claims, have agreed to the entry of the Proposed Judgment. Attached as Exhibit 2 is a Consent signed by Desai, in which he agrees to the relief sought in the Proposed Judgment.

3. The Proposed Judgment eliminates the need to litigate the merits of Desai's liability and permanently enjoins Desai from violations of each of the provisions of the federal securities law at issue in the Amended Complaint.

4. The Proposed Judgment further provides that the monetary relief sought by the SEC – in the form of civil penalties – shall be determined by the Court at a later date. The SEC anticipates moving for remedies as to Defendant Desai after the SEC's claims against Desai's co-Defendants are resolved. For the purpose of that determination, the parties agree that the Court would accept the allegations in the Amended Complaint as true. In SEC enforcement actions, Courts have routinely entered judgment based on this type of bifurcated settlement and have adopted the procedures described in the Consent for the relief phase of proceedings. *See, e.g., SEC v. Zenergy Int'l, Inc.*, 2016 WL 5080423 (N.D. Ill. Sept. 20, 2016); *SEC v. Merendon Mining Inc.*, 2012 WL 12916361, at \*2 (W.D. Wash. Oct. 30, 2012); *SEC v. Integrity Fin. AZ, LLC*, 2012 WL 176228, at \*2 (N.D. Ohio Jan. 20, 2012); *SEC v. Resources Planning Group, Inc.*, Case No. 12-cv-9509, Docket No. 51 (N.D. Ill. Sept. 29, 2014).

5. In his Consent, Desai agrees that the SEC “may present the [Proposed] Judgment to the Court for signature and entry without further notice.” (Ex. 2, Consent, ¶ 15).

6. Under Rule 54(b) of the Federal Rules of Civil Procedure, there is no

just reason to delay entry of the Proposed Judgment as to Defendant Desai. Entry of the Proposed Judgment will resolve the issue of liability on all claims against Defendant Desai in this action and will reserve the issue of monetary relief until a later date. There is little risk of piecemeal appeals as Defendant Desai has waived his right to appeal from this judgment, as reflected in Exhibit 2. (Ex. 2, Consent ¶ 6.)

18. Entry of the Proposed Judgment will conserve judicial resources, streamline the issues in this litigation, and save the SEC and Desai the time and expense of continued litigation on the issue of liability.

**WHEREFORE**, for the reasons cited above, the SEC respectfully requests that the Court grant this motion and enter the Proposed Judgment.

**UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION**

February 4, 2020

By: s/ Timothy S. Leiman

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